Well Operation

Within 60 days of the completion of a well, an operator must either place the well in operation, request a temporary abandonment permit, or plug and abandon the the well.



Temporary Abandonment

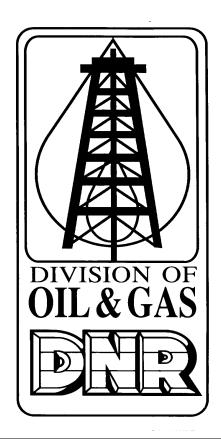
Operators may apply to temporarily abandon a well for periods of up to 5 years. An Application for Temporary Abandonment form may be requested using the process for permit applications noted on the inside of this brochure. Temporary abandonment status requires an operator to demonstrate that a well

does not threaten Underground Sources of Drinking Water. This demonstration includes either a Mechanical Integrity Test of the well or a fluid level measurement with annual fluid level monitoring. In either case the operator must notify the inspector prior to making the demonstration so that the division can witness the test. In addition the operator must seal the well at the surface, maintain the wellsite in proper condition, and have appropriate well identification posted at the site.

"A well may not be placed in temporary abandonment status unless the operator demonstrates that the well will not threaten ground water"

Wells must be operated, issued a temporary abandonment permit or plugged. Wells may not remain idle for more than 60 days without a formal notification to the division.

Permitting and Operating wells in Indiana



Mission: "The Division of Oil and Gas promotes the responsible development of oil and natural gas resources while protecting the environment. We serve the industry and the citizens of Indiana through professional leadership, management, and education"

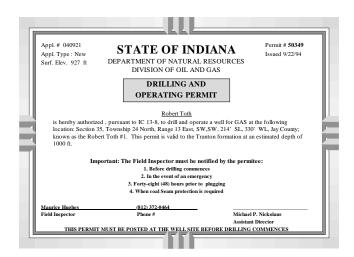
A permit is required to drill and operate oil and gas related wells in Indiana.

Permitting

In order to drill wells in Indiana you must obtain and post a permit from the Division of Oil and Gas. To obtain an application for a permit you may call the Technical Section of the division at (317) 232-6960, FAX a request to (317) 232-1550, download forms from the divisions WEB site at http://www.state.in.us/dnroil, or write to the division at the following address:

Division of Oil and Gas
402 W. Washington St., Rm. 293
Indianapolis, IN 46204
Attn: Technical Section

To obtain a permit you should submit a completed application to the division at the address noted above. Although the forms may be copied each application must have an original signature page, survey, and bond. Those application which require a fee must also be accompanied by a check or money order in the amount of



Department of Natural Resources.

The permitting process involves checks for an applications completeness, technical merit, and the enforcement status of the applicant. The process itself takes 4-5 days for oil and gas permits and up to 60 days for injection permits.

The operator should notify the inspector listed on the permit before beginning initiating the permitted operation. This allows the inspector to review the permit and, as needed, witness critical drilling and construction operations.

Permit Transfer

Whenever ownership of a well changes hands the permit must also be transferred to the new owner or operator. To accomplish this the new owner must submit an Application for Permit Transfer form with a bond to the division. Within 30 days of receiving the transfer request the division will approve or deny the transfer. As with the issuance of a permit the division conducts checks of items such as an applicants enforcement and corporate status and submission of a proper bond in order to determine whether or not a permit can be transferred.

IMPORTANT

Permits are not effective until 18 days after the date they are issued by the division